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SUBJECT: MEDIA REACTION: U.S.-INDIA NUCLEAR DEAL, INDIA-PAKISTAN RELATIONS, GLOBAL ECONOMY: FINANCIAL MARKET CRISIS, TERRORISM; NEW DELHI.

This cable reports on relevant media reaction from India's large non-English press. Embassy New Delhi reports on English-language media via email in the daily "Early Edition". USG customers please write to Geeta Krishali (KrishaliG@state.gov) to subscribe to the "Early Edition.'

U.S.-INDIA NUCLEAR DEAL

11. NUCLEAR DEAL A TRIBUTE TO INDIA'S INTERNATIONAL STATURE, op-ed in the October 7 centrist DAINIK HINDUSTAN Hindi daily by foreign affairs writer Pranay Sharma: "The nuclear deal with the U.S. is a big triumph for the UPA government, although it may not translate into votes for the Congress party. In India the foreign policy issues do not generally influence voting. What no one really wants to talk about is the fact that the nuclear deal is not so much about energy and power issues as it is about gaining strategic importance in the world - standing in the league of the big and powerful nations. Manmohan Singh may be the man of the moment adorning the highest political seat in India, but let us not forget his predecessors -- from Rajiv Gandhi to Atal Behari Vajpayee -- all of whom contributed significantly to pave the way for this nuclear agreement. The deal has many detractors, and they have valid concerns. But the fact remains that this is as good as it gets - no agreement can make anyone fully happy.

INDIA-PAKISTAN RELATIONS

- 12. "MEANING OF ZARDARI'S STATEMENT," editorial in the October 7 centrist DAINIK BHASKAR Hindi daily:
 "Pakistan's President Asif Ali Zardari made a revolutionary statement to The Wall Street Journal, suggesting India posed no threat to Pakistan and called the Islamist militants fighting in Indian Kashmir terrorists. What made Zardari make such a statement in the first place? A large part of Pakistan is ravaged by a war like situation. With such internal turmoil, Pakistan can ill-afford to pick up animosity with India. Zardari's statement is sure to stir up the hornet's nest in Pakistan, and it is already doing so. There might be allegations too that he is making conciliatory statements on India under U.S. pressure. But the fact is he is a moderate and reasonable man."
- ¶3. "ZARDARI'S STANCE" editorial in the October 8, 2008, Mumbai edition of centrist Marathi daily SAKAAL.

 "Pakistan President Asif Zardari's interview given to WALL STREET JOURNAL has naturally created a controversy. Zardari has candidly stated that the militant groups in the disputed Kashmir region are `terrorists' and not `freedom fighters'. One doesn't know how serious is Zardari about these remarks and whether he genuinely wants to distance himself from his predecessors who openly gave legitimacy to the insurgent groups in the

NEW DELHI 00002678 002 OF 003

valley... Zardari has also observed that India is not a security threat to Pakistan. That is again a welcome deviation from the foreign policy stance adopted by the Pakistani army which has treated India as an enemy so far. India is not sure as to how much trust it should vest in Zardari, but it is a fact that he has departed from the age-old anti-India Pakistani refrain. And that makes a positive global impact...."

GLOBAL ECONOMY: FINANCIAL MARKET CRISIS

- 14. "DECLINE OF THE GLOBAL CAPITALIST SYSTEM", editorial in the October 6 right-of-center Urdu daily "URDU TIMES", Mumbai: Both America and the global capitalist system are on the verge of a decline. America's decline would spell the doom for Britain as well. Certainly, that would translate into the collapse of the global capitalist system. This capitalist empire is conspicuously Zionist in character, can then we call it the collapse of the Zionist empire? Falling in the trap of the global economic crisis, after the world's largest banks and corporate entities, others are also gradually moving towards bankruptcy. As a response to this crisis, America and several countries of the world have come out with bail out plans or rescue packages to prevent their financial markets from crumbling, which has now reached astronomical figures of over 2 trillion dollars. We feel that the decline of America and the global capitalist system shall spell doom for the Zionist empire. Its symptoms shall appear before us within a few years."
- 15. "FRIENDLY STANCE OF ZARDARI", editorial in the October 7 right-of-center Urdu daily "RASHTRIYA SAHARA", New Delhi: "By calling the militants of Kashmir as terrorists, in utter shift from the declared foreign policy of Pakistan, president Asif Zardari has made it clear that the powers that be in Pakistan are open to better external relations with the neighboring country. It is also explicit that it is not interested in nurturing terrorism. Had it been not so, the Pakistani president would not have called the Kashmiri separatist leaders as terrorists. The fact is whether it is India or

Pakistan, the geographical reality that they are each other's neighbor cannot be ignored at all. In such a situation, an atmosphere of strained relations & deficit of trust is not in the good interests of both the countries. It is quite heartening to learn that the present political leadership in Pakistan is giving due weightage to friendly ties with its neighbor, by taking drastic U-turns from its erstwhile policies against India. It would help in improving the situation prevailing in the valley."

TERRORISM

<u>¶6.</u> "SHARAD PAWAR'S VERACITY", editorial in the October 7 right-of-center Urdu daily "MUNSIF", Hyderabad: "There

NEW DELHI 00002678 003 OF 003

have been attempts to involve Muslims in all the matters related to terrorism and thus brand them as terrorists, as a part of a larger conspiracy. However, when the blade of the sword keeps mum, the blood on the canvas speaks up. Similarly, voices have begun to be raised against those who are casting aspersions on Muslims rather blaming them squarely for terrorism. In this perspective, the Union Cabinet Minister, Sharad Pawar observed that only the Muslims are being shown to be involved in terrorist activities while the Hindu terrorists are being altogether ignored. This statement by the minister might prove to be not only a turning point in clearing the air about the Hindu extremist groups and Muslims, but a vital push for the movement against terrorism going on in the country, which was suffering from being directionless till now. So far, only Muslim leaders and intellectuals have been reiterating strongly and assertively that Islam has nothing to do with terrorism, which however got misconstrued as something the community gradually owns up.

17. "NEW WAVE OF COMMUNAL RIOTS", editorial in the October 6 right-of-center Urdu daily "HINDUSTAN EXPRESS", New Delhi: "First of all, a number of cities across the country were made the target of terrorist attacks, including bomb blasts, which were later owned up by a so called organization called Indian Mujahideen through emails. After these blasts in Jaipur, Ahmadabad, Bangalore and Delhi, the police and security agencies launched a drive of one-sided prejudiced arrests, which was hardly expected. As a result, Muslim areas in the country were under the constant threat of terror, an unsurprising corollary. The police then carried out the encounter at Jamia Nagar in New Delhi. This encounter was so doubtful and full of misgivings that the Muslims of India should have come on the streets to protest against it. At a time when the Muslims were grappling with the twin troubles of a fake encounter and arrests of innocent people across the country, a new wave of bomb blasts began thereafter starting from Mehrauli in Delhi to Sabarkantha in Gujarat and Malegaon in Maharashtra." WHITE